

**Privatization of Military Family Housing
Ft. Carson CO
RFP NO. DACA45-98-R-0024
Questions & Answers Set #2**

NOTE: Offerors are cautioned that the questions and answers provided below DO NOT amend the RFP and should not be relied upon in preparing proposals. These questions and answers were received between 7 November 1998 and 11 January 1999 and are provided for informational purposes only.

1. QUESTION: Can the Performance Deposit and the Debt Reserve be funded from debt proceeds, or does the money have to come from contributed equity? Also, if funding has to come from equity, is this equity over and above the 3% minimum equity investment or does it include the 3%?

ANSWER: The Performance Deposit must come from additional contributed equity. There is no Debt Reserve account. The funding from contributed equity is equity over and above the 3% minimum equity investment required for the Construction Escrow Account.

2. QUESTION: Can the debt be interest only during the construction period, as is typically the case in project financing?

ANSWER: Yes.

3. QUESTION: Can the debt have a 40-year term?

ANSWER: See Amendment 3.

4. QUESTION: The RFP describes both three-phase and single-phase circuits for the points of connection. Are the three-phase circuits 4 wire, allowing transformer connections to be Phase-to-Neutral or must they be Phase-to-Phase? Are the single-phase circuits two-phase wires, or a phase and neutral?

ANSWER: Reference Attachment 2, paragraph 8.e.(2)(e) of the RFP.

5. QUESTION: We have heard that the base sanitary landfill will be closed, but that the other landfill has capacity to handle demolition debris from existing family housing units. We need official clarification regarding use of the base landfill. This information will be very important to all bidders: Can debris from the demolition of existing family housing units be dumped at the base landfill? If yes, what are the dump fees? If no, can construction debris from the new family housing be dumped at the base landfill?

ANSWER: All debris must be taken off base for disposal at the Contractor's expense.

6. QUESTION: Could you please provide contact information for the publisher of the technical manuals cited in the RFP (for water and sewer systems)? These manuals are not available in the Documents Information Room.

ANSWER: The Technical Manuals can be downloaded from the following web site: www.usace.army.mil/inet/usace-docs/ For other Technical Manuals not available at that web site, please contact the Director of Statewide Defense Initiatives, Office of Business Development at (303) 892-3840.

7. QUESTION: At the Pre-Proposal Conference, it was stated by a panel member that the review committee did not want to see plans for additional housing (above and beyond the required 840 new units) during the construction phase. Subsequently we have heard differently. Are we prohibited from providing more new housing?

ANSWER: Yes. The Government will guarantee only the 840 new units plus the existing 1,823. The Government is only looking for the 840 new units as specified in the RFP.

8. QUESTION: We request you consider providing offerors an extension of up to two (2) weeks for submission of proposals with Amendment 3 and given the intervening holidays. This would allow all offerors to provide the best possible proposals for the Army's consideration.

ANSWER: See Amendment 3 for extension period.

9. QUESTION: Is the Contractor responsible for cost of the common area utilities? If so, are common area utilities currently being metered?

ANSWER: The Contractor will not be responsible for payment of utilities in common areas. As stated in the RFP, the Contractor will only be responsible for payment of utilities for the space they occupy and for units rented to other than military members referred by the Government.

10. QUESTION: Paragraph (5) on page 1-9 of the RFP requires five years of historical audited financial statements. It appears that these will be included in the page count. In some cases, this may take up 50 or more of the available 120 pages in the Financial Plan. Can the audited financials be included as an attachment that does not impact page count?

ANSWER: See Amendment 3. The five-year historical audited data may be included as an attachment and will not count in the page count.

11. QUESTION: In the Questions and Answers posted on the Solicitation Web Page to date, question 12 discusses the amortization of the loan and the maturity date. The answer states that the loan must be self-amortizing and have level payments and that the term of the loan cannot exceed 30 years. However, assuming an interest only period during the construction period (which could be as long as 5 years), can the loan be a level pay self-amortizing loan over 30 years or less, but with such amortization period commencing after the expiration of the interest only/construction period?

ANSWER: Yes. See Amendment 4.

12. QUESTION: Will we have updated 1999 BAH allotments before the RFPs are submitted?

ANSWER: Amendment 4 includes the National 1999 BAH rates. These rates are not specific to the Geographic Location Rates for the Colorado Springs, Colorado, area. The 1999 BAH rates for Fort Carson, Colorado, may be accessed at the following Web Site:

<http://www.dtic.mil/perdiem/bah.html>

Once the site is accessed, click on the 1999 BAH rates (not BAH II). You will then need to type in the Zip Code for Colorado Springs—80901—for each of the grades. There is currently no listing available that will provide all of the rates in a single spreadsheet format.

13. QUESTION: Paragraph 8.e.(1)(a) of Attachment 2 to the RFP specifies that “The Contractor shall be conveyed all utility service lines associated with the existing family housing units”, and further that Service lines are defined as “beginning at the point of tap or connection to the main utility distribution system and extending the entire length to supply service to each family housing unit”. In normal circumstances, the following definitions of Service lines would apply:

a. Electric Utility

(1) Line voltage overhead drops from the transmission line to the weather-head are the responsibility of the serving utility. Is it your intent that this Contractor be responsible for the maintenance of these Service Drops once the contract is executed?

ANSWER: As stated in Attachment 2, paragraph 8.e.(1)(a)(i), the Contractor is responsible for service lines beginning at the point of tap or connection to the MAIN utility distribution system and extending the ENTIRE length to supply service to each family housing unit.

(2) Underground Service Laterals from the Meter Base to the Power Pole are the responsibility of the homeowner (in this case the Contractor).

ANSWER: As stated in Attachment 2, paragraph 8.e.(1)(a)(i), the Contractor is responsible for service lines beginning at the point of tap or connection to the MAIN utility distribution system and extending the ENTIRE length to supply service to each family housing unit.

(3) Distribution Transformers are the responsibility of the serving utility. Is it your intent that this Contractor be responsible (from the point of tap) for the maintenance of all Power Transformers within the housing areas?

ANSWER: As stated in Attachment 2, paragraph 8.e.(1)(a)(i), the Contractor is responsible for service lines beginning at the point of tap or connection to the MAIN utility distribution system and extending the ENTIRE length to supply service to each family housing unit.

b. Telephone

(1) Overhead drops from the distribution pole to the dwelling are the responsibility of the serving utility. Is it your intent that this Contractor be responsible for the maintenance of these Service Drops once the contract is executed?

(2) Conduits for telephone service cable from the dwelling to the distribution pole or pedestal are the homeowner's responsibility. The telephone service cable is provided, installed and maintained by the serving utility. We understand that it will be the responsibility of this Contractor to provide and install the service cable in the case of an underground installation.

Is it your intent that this Contractor be responsible for the maintenance of the underground telephone service from the dwelling unit to the distribution point?

ANSWER: In accordance with Attachment 2, paragraph 8.e.(2)(f)(ii), "The telephone distribution system shall be installed underground. US West is the current telephone service provider on Fort Carson. The Contractor shall coordinate all installation requirements and tap points with the telephone service provider." The telephone service lines are Non-Government-Owned Utilities, therefore, connection to or extension of these lines are the responsibility of the Contractor as stated in the above referenced paragraph.

c. Cable: Maintenance of all service facilities from the distribution point to the dwelling unit is the responsibility of the serving utility. Is it your intent that this Contractor be responsible for maintenance of the service facilities (conduits, cables, etc.) from the distribution point (pole or pedestal) to the dwelling units?

ANSWER: Please refer to Attachment 2, paragraph 8.e.(2)(f)(iii) for CATV distribution system information.

d. Potable Water: Water service lines (laterals) from the demand side of the domestic meter to the dwelling are the responsibility of the homeowner (in this case the Contractor). The water meter and the supply side lateral to the service main are the responsibility of the serving utility. Is it your intent that maintenance of the supply side potable water lateral and the domestic water meters be the responsibility of this Contractor?

ANSWER: As stated in Attachment 2, paragraph 8.e.(1)(a)(i), the Contractor is responsible for service lines beginning at the point of tap or connection to the MAIN utility distribution system and extending the ENTIRE length to supply service to each family housing unit. Please refer to Attachment 2, paragraph 8.e.(2)(a) for Water service information.

e. Sanitary Sewer: Generally speaking, the homeowner (in this case the Contractor), is responsible for maintenance of the Sewer Lateral from its point of egress at the dwelling to a point identified as "back of curb." Is it your intent that this Contractor will be responsible for maintenance of the Sanitary Laterals from back of curb to the main "in-street" sewer?

ANSWER: As stated in Attachment 2, paragraph 8.e.(1)(a)(i), the Contractor is responsible for service lines beginning at the point of tap or connection to the MAIN utility distribution system and extending the ENTIRE length to supply service to each family housing unit. Please refer to Attachment 2, paragraph 8.e.(2)(c) for Wastewater System information.

f. Gas: Again generally speaking, the homeowner is responsible for the service lateral from the demand side of the meter or pressure reducing valve (whichever is last) to and throughout the dwelling. Is it your intent that this Contractor be responsible for maintenance of the gas meter, the pressure reducing valve and the supply side service lateral to the point of connection at the gas main?

ANSWER: In accordance with Attachment 2, paragraph 8.e.(2)(b), the Gas Distribution systems shall include the exterior site distribution system and the individual residence service lines. As stated in Attachment 2, paragraph 8.e.(1)(a)(i), the Contractor is responsible for service lines beginning at the point of tap or connection to the MAIN utility distribution system and extending the ENTIRE length to supply service to each family housing unit.

g. It is our understanding that, although not a part of this contract, the Department of Defense is desirous of eventually privatizing the utility distribution systems at its ongoing facilities. Because the definition of "Service Lines" contained in the RFP is inconsistent with normal commercial practice, we are concerned that an incongruity will be created between this Housing Contractor and any future Utilities Privatization Contractor. It is suggested that the Government may wish to reconsider its stated definition in light of the above.

ANSWER: Your comments are noted, however, the definition remains as stated in Attachment 2 of the RFP.

14. QUESTION: We request clarification regarding the repair and maintenance, as well as snow and ice removal, concerning streets within the housing areas at Fort Carson. Our investigation reveals that the Directorate of Public Works (DPW) contractor presently has responsibility for this work at Fort Carson. Are we correct in our interpretation that the DPW contractor will no longer have any responsibility for maintenance, repair, and snow removal from those streets except for work associated with sub-surface repairs to utility distribution and sewer systems?

ANSWER: Please refer to Attachment 2, paragraph 5.h. Yes, you are correct. The DPW contractor will not be responsible for the streets in the housing areas at Fort Carson. That is a requirement under this RFP. However, the sub-surface repairs to MAIN utility distribution and sewer systems, not the service lines, will be the Government's responsibility for Government-Owned utilities and this Contractor's responsibility for any new utilities, as stated in the RFP.

15. QUESTION: If the answer to the above question is yes, how will the break between those streets maintained by DPW and the streets maintained by the housing contractor be determined? There are several main arterial roads, such as Harr Avenue, that are not exclusive to housing areas that may require a case by case definition. It will be difficult for us to develop an accurate repair and maintenance budget without specific definitions.

ANSWER: The contractor's responsibility for the roads will be where the road begins in the housing areas. There may be some areas of overlapping of responsibility.

16. QUESTION: We are aware of an on-going problem with the relationship between Fort Carson's sewage mains and those of the NORAD system from Cheyenne Mountain. We understand that at least some of the sewage backup maintenance calls occur when the NORAD facility pumps sewage holding tanks. Has this problem been resolved or will the problem be resolved prior to the notice to proceed for the housing contract?

ANSWER: No, this problem will not be resolved by the Government. Offeror's need to consider this information in their proposal. Utility studies, service call records pertaining to

ground flooding, utility maps, and Area 1 storm drainage map is available in the Documents Information Room.

17. QUESTION: Will the Government continue to fund self-help materials in the same fashion they do today, or will all self-help materials, if this amenity is offered, be the responsibility of the housing contractor?

ANSWER: No, the Government will not fund self-help materials, this will be the responsibility of the housing contractor.

18. QUESTION: Attachment 1, Exhibit C, page 1C-4 contains a three column list at the top of the page covering “Building Component”, “Estimated Life” and “Unit Cost/Base Year” for a series of items. Our question concerns two of the listed items:

a. “Utility and Structural System” – New utilities, with the exception of PRV valves, breaker panels and other specific components, should last for the lifetime of the project. Existing exterior utilities will probably need replacement at some point before the contract ends, however, a system by system evaluation is needed to determine the existing condition. Without an assessment, a projection would be meaningless. The “structural system” should also be viable for the life of the contract. Failure would be caused by earth movement, catastrophic failure from impact, extreme weather conditions, etc., which would be repaired on a case-by-case basis. We are uncertain what you would like us to provide in this area.

ANSWER: Provide detail on a system-by-system basis, breaking out each unit life according to your proposal. If you anticipate a system lasting the life of the project, state so.

b. “Whole House Renovation” – Are you referring to the cost of totally demolishing and replacing with new, or complete interior/exterior renovations of the type specified within Section 5 of Attachment 2? If building components are well maintained the “Estimated Life” of such renovations would be indefinite, i.e., whole house renovations would not be required. Please clarify the intent of this requested item.

ANSWER: This is left to the discretion of the Offerors and will be evaluated in accordance with Attachment 1 of the RFP.

19. QUESTION: Sections 8.b.(2)(a)(v) on page 1-9 of Attachment 1 and 6.i.(1)(e) on page 2-19 of Attachment 2 to the RFP allow a deficit in the balance of the Performance Deposit Account to be remedied using funds derived from project cash flow. Sections 8.b.(2)(e)(i)(D) on page 1-12 of Attachment 1 and 6.i.(5)(a)(iv) on page 2-22 of Attachment 2 to the RFP requires the Contractor to remedy any deficit in the Performance Deposit Account within 7 days of its receipt of notification of a deficit from the Contracting Officer. These two provisions appear to be in conflict unless it is the Government’s intent to require 8.b.(2)(e)(i)(D) & 6.i.(5)(a)(iv) to apply during years 1 through 5 and 8.b.(2)(a)(v) & 6.i.(1)(e) to apply in years 6 through 50. Please clarify.

ANSWER: There is no conflict between Attachment 1 and Attachment 2 regarding the Performance Deposit Account. As stated in paragraph 8.b.(2)(a)(v) of Attachment 1, the construction Escrow Account is the only account that will close upon completion of the initial construction/renovation. Upon completion of the initial construction/renovation, the balance of

income from the Project is to be applied in the order identified in paragraph 8.b.(2)(a). The Performance Deposit Account is required throughout the life of the contract as stated in Attachment 2, paragraph 6.i.(5)(a). Further, it is the Government's hopes that the Performance Deposit Account will remain unused throughout the term of the contract; however, if used, funds must be replaced as required in Attachment 2, paragraph 6.i.(5).

20. QUESTION: Section 8.b.(3)(f) of Attachment 1 to the RFP on page 1-13, as modified by Amendment 3, requires that the "Loan shall be fully amortizing straight line for a period not to exceed thirty years." It is not customary for loan amortization to begin before construction is complete. We presume that by this statement, you are either contemplating permanent financing which would be put into place after the 5-year construction/renovation period is complete or, in the case of a combination construction/permanent loan, that loan amortization will begin upon stabilization (i.e., after the 5-year construction/renovation period is complete). It would appear that if a proposer was contemplating two loans (construction and permanent), you would require two loan commitments. Nothing in your criteria provides for this contingency.

ANSWER: Offerors can have as many loans as needed to provide for the project, however, in the case of the loan guarantee, the loan guarantee will only be applied to one permanent loan that will be "fully amortizing straight line for a period not to exceed thirty years" for the project. Based on this information, only one loan commitment is required since the Government will only provide the loan guarantee for one loan.

21. QUESTION: Section 8.b.(3)(f) on page 1-13 of Attachment 1 to the RFP (as modified by Amendment 3) requires that the "Loan shall be fully amortizing straight line for a period not to exceed 30 years." We assume that the Government is aware that a result of the level debt service requirement is that it unnecessarily limits the amount of the permanent loan by not accounting for any future increases in BAH levels after year 6. This results in a smaller initial construction project over the first five years and pushes more of the needed construction and rehabilitation into the out years which will need to be serviced by the reinvestment account. As a consequence of this requirement, the size of the Loan will be less than optimum and/or the borrower will need to establish a Debt Service Reserve Account in order to achieve a higher loan amount, either of which will result in a project of lesser value to the Government. Is the Government willing to waive the level debt service requirement if the proposer can obtain lender's and, if needed, the rating agency's approval to use an increasing debt service debt structure?

ANSWER: No, the Government will not waive the level debt service requirement. Offeror's must determine how to structure the financial portion of their proposal in accordance with the RFP.

22. QUESTION: For purposes of completing the Guaranteed Lender Application Form and qualifying as the Guaranteed Lender, may a Guaranteed Lender that is wholly owned by a holding company parent, which holding company parent conducts its day-to-day activities through the Guaranteed Lender and its other wholly owned subsidiaries, include the activities of the parent and the parent's other wholly owned subsidiaries as well as the activities conducted by the Guaranteed Lender directly?

ANSWER: The Guaranteed Lender must meet the eligibility requirements stated in the Guaranteed Lender Application Form.

23. QUESTION: For purposes of completing the Guaranteed Lender Application Form, is an investment banking firm (1) that purchases bond issues secured by multifamily mortgage loans that are issued or secured under the multifamily programs of, or are purchased by, Federal Housing Administration, Ginnie Mae, Fannie Mae, Federal Home Finance Board or Freddie Mac for the principal purpose of resale and (2) that provides letters from one or more of such agencies stating that such firm is in good standing with them, considered to be “approved and in good standing under the multifamily programs of [such agencies]”?

ANSWER: The Guaranteed Lender must meet all of the Guaranteed Lender eligibility requirements identified in the Guaranteed Lender Application Form.

24. QUESTION: The activities and responsibilities of a bond trustee for a bond issue secured by multifamily mortgage loans where there is no independent “servicer” include substantially the same activities and responsibilities as those that would be performed by the independent “servicer.” The trustee in such a bond issue, whose principal role is to protect the interests of the bondholders (i.e., the investors who put up the money for the project), holds the loans directly and, when there is no separate servicer, is responsible for monitoring and enforcing the lender’s rights under loan documents on behalf of the bondholders directly. Are the activities of such a trustee activities that can be included in describing the Guaranteed Lender’s “servicing experience” in completing the Guaranteed Lender Application Form?

ANSWER: A Trustee is not a “servicer.” The Guaranteed Lender must service the loans consistent with the Loan Guarantee Agreement (see Attachment 3) and requirements of the RFP and must be approved under the Guaranteed Lender Eligibility Form.

25. QUESTION: Reference Attachment 1, Paragraph 8.b.(2), Escrow Accounts, (p 1-10 thru 12), The waterfall of funds (equity contribution and income from Project). The first full paragraph following paragraph (a)(ix) states that “the balance of income ... following payment of items (i), (ii), and (iii), shall be deposited into the Construction Escrow Account until the new construction and renovation is completed.”

(a) Does this mean that debt service payments (item (iv) in the waterfall) cannot be made prior to completion of the new construction and renovation? Subsection (c) (page 1-11) provides that the purpose of the Construction Escrow Account is to ensure the cash flow after debt service and reserves ... is utilized to off-set demolition, construction, and renovation costs.

ANSWER: Your attention is directed to Attachment 2, paragraph 6.i.(3) for explanation.

(b) This appears to conflict with the first full paragraph following (ix) set forth above. Subsection (ii) (page 1-12) states that “all operating income of the Project in excess of the normal and customary operating expenses must be deposited into (the Construction Escrow Account).”

ANSWER: There is no conflict. Your attention is directed to Attachment 2, paragraph 6.i.(3) for explanation.

(c) Subsection (i) (page 1-10) refers to “reasonable” and normal operating expenses. Is this different than normal and “customary” operating expenses?

ANSWER: No.

(d) Why are Management Fees excluded from “normal and customary operating expenses” just because the management company is a part of the “Contractor” team? An extension of that question is: are fees paid to the Architect and Engineer and developer just because the Architect, Engineer, and developer are affiliated with the “Contractor”? It seems to me that the more appropriate standard would be to allow those Management Fees, A&E Fees, and Developer Fees which are “reasonable, normal, and customary”.

ANSWER: In order to evaluate the “net equity” contributed by the Offeror, all related party fees shall be considered, regardless of whether they are reasonable or customary.

(e) If the Contractor cannot pay debt service on its loan, it cannot borrow money. Published criteria of S&P, Moody’s, and other rating agencies require payment of debt service before funding the construction escrow reserves. Published criteria of S&P, Moody’s, and other rating agencies require payment of debt service on a specific schedule. A payment schedule dependent on the Government “accepting” final completion of the construction and renovations is unacceptable to lenders. Is the Contractor free to propose a lock box and escrow accounts system during the construction period which provides for payment of debt service from Project income before depositing such income in the Construction Escrow Account?

ANSWER: Please note, Offerors have been informed that the Escrow Accounts identified are a minimum requirement of the Government.

26. QUESTION: Will the contract allow overlaying VAT with Vinyl Composition Tile, VAT, or must the contractor remove existing VAT prior to installing VCT?

ANSWER: Subcontractors are encouraged to contact prime contractors with specific requirements of this nature. Offerors will propose how they intend to accomplish the required renovations based on the information provided in the RFP.

27. QUESTION: Where are the Regional Detention Facilities? Is data available to determine the adequacy of detention facilities to absorb additional runoff from new construction?

ANSWER: There is no Regional Detention Facilities; however, natural drainage maps are available in the Documents Information Room.

28. QUESTION: Is the historical BAQ/VHA rates tables shown on Attachment 2, Exhibit A, page 2A-4, available as a file somewhere? The information is hard to read in the RFP.

ANSWER: The information is available in the Documents Information Room at Fort Carson.

29. QUESTION: Page 1-4 of Attachment 1, Amendment 0003, paragraph 6.a. at the top of the page states that “Folded pages (11”x14”) used for spreadsheets shall count as one (1) page.” The standard size for folded pages is 11”x17”. Are we correct in assuming that 11”x17” will count as a single page?

ANSWER: Yes.

30. QUESTION: Are the fences required between units to be full yard enclosures? What is the approximate linear footage required? Are gates required?

ANSWER: Fences are the responsibility of each Offeror to propose depending on the Offeror's site plan. Typically, fences enclose the back yard space. All existing housing units currently have fencing. New units will require fences. Gates are left to each Offeror's discretion.

31. QUESTION: What size storage area is required in those units that do not currently have storage?

ANSWER: As stated in the RFP, storage space should be adequate to store typical lawn and sporting equipment.

32. QUESTION: How many units of existing housing require fencing and storage?

ANSWER: See Attachment 2, paragraphs 5.e.(1) and (2) of the RFP.

33. QUESTION: Are there currently any units that still share a single furnace for two units? How many?

ANSWER: No, there are none that share a single furnace for two units.

34. QUESTION: Are we to install two separate smaller size furnaces that then will be metered separately?

ANSWER: Yes.

35. QUESTION: What period is the subcontracting plan to cover? The initial construction phase and/or 50-year maintain and operate phase? The dollar amounts subcontracted will vary widely by year depending on the construction activity in any given year. It does not seem realistic to provide an annual dollar amount for subcontracting. While percentage goals may remain fairly constant over the life of the contract, dollar amounts will not. If dollar amounts are required, we suggest that they be provided only for the first five years of the contract.

ANSWER: Your comment is noted. The Subcontracting Plan will cover the life of the contract (50 years with an additional 25-year Option) and will cover all construction, renovations, maintenance, and operations of the Project.

36. QUESTION: We believe there are currently more than one parking space per unit in the existing housing areas (including garages, carports, driveways). Is the intent of the parking requirement in Amendment 3 to add an additional 1823 parking spaces or simply to ensure that 2 spaces are available per unit? What type of sealant coat is required for existing parking spaces?

ANSWER: The intent is to ensure that there are two off-street parking spaces per housing unit as stated in the RFP. The type of sealant coat required for existing parking spaces is up to each Offeror to propose.

37. QUESTION: Reference Amendment 0003, page 2-7, paragraph 5.e.(2)(d), "Add carports/garages to company grade (O1 through O3 and W1 through W3) housing units. Per diagram on page 2-12 and Exhibit "D", none of the specified grade is listed in the allocated area or any of the renovated housing areas. Please clarify this requirement.

ANSWER: The listing of renovations to the existing housing units is based on the current grade assignment of the units. Exhibit B identifies the existing family housing units under the current grade structure, including those referenced above. Exhibit D identifies the

renovations to some of the existing housing units, including those designated for the grades referenced above. The current existing units for these grades require the renovations required in paragraph 5.e.(2)(d) of the RFP; however, once the renovations of those units are complete, those units will be re-designated to other grades as shown in the diagram on page 2-12.

38. QUESTION: Will the Design Team be required to conduct a survey of all dwelling types to prepare accurate and/or elevations on which to document the work to be done? Will this exercise have to be done to prepare accurate “As-Built” drawings describing the work upon completion?

ANSWER: Please see Attachment 2, paragraph 6.g. regarding “As-Built Drawings.”

39. QUESTION: Will the A/E Design Team be expected to provide more extensive services than review of the Contractor’s submittals, shop drawings and requests for information, clarification of design intent, and monthly site visits only to observe generally the work in progress? Will the Army require additional site visitation, meetings or other activities during the construction phase? Will “punch-out” be done by the Quality Control Organization, by the Army, or both, and will any role be required by the Design Team during punch-out and final inspections?

ANSWER: The roles and responsibilities of Contractor’s team members are up to each Offeror to decide in accordance with the RFP and standard industry practice. See Attachment 2, paragraph 6.n. for construction and renovation inspection requirements and Attachment 2, paragraph 6.o.(4) for progress reporting requirements.

40. QUESTION: Who will be responsible to determine what the existing insulation values and HVAC equipment efficiencies in the renovation units are? How extensive should the investigation be to determine this?

ANSWER: See Attachment 2, paragraph 5.e. for renovations required. The Contractor is responsible for any necessary investigations.

41. NOTE: The Government has received numerous questions, both technical and general regarding the Ground Lease, the Guaranty, and related documents. The following statement is intended to answer and provide guidance to potential Offerors in preparing their RFP submissions.

Offerors are advised that they are in a competitive environment, and that it is their responsibility to take the appropriate diligence and care to review and understand the Ground Lease, the Guaranty Agreement and related documents. To the extent that Offerors do not understand these documents or their interrelationship, such Offerors are free to retain both legal and financial advisory resources at their own expense. The purpose of the RFP is to secure at least 50 years of housing resources at Ft. Carson and Offerors need to address the issue of long term viability of the proposed housing in their submissions. Offerors are advised to submit their responses to the RFP based on the lease and guaranty documents as they are written and based on the scope and limitations of those documents.

The Government recognizes that there will be variability in the financial submissions of the RFP responses. For example, the Offeror’s entity, the level of equity contributions, debt service

coverage, etc., however, all Offerors have the same documents to work from to create their proposal and the Government is committed to having a level playing field in this procurement. To the extent that some Offerors may face additional financial challenges or requirements from their Guaranteed Lender or source of private capital, ANY ADDITIONAL CREDIT SUPPORT NECESSARY TO SUPPORT OR SECURING THE OFFEROR'S ACCESS TO PRIVATE CAPITAL MUST COME FROM THE OFFEROR AND MAY NOT BE ACCOMPLISHED THROUGH CHANGES IN THE LEASE OR GUARANTY DOCUMENTS. In addition, Offerors may not finance any such credit support under the Guaranty Agreement. An example of this would be any reserve fund in the transaction.

Offerors must recognize that all financing is subject to the Ground Lease, which contains certain obligations that must be performed. Offerors should take the appropriate time and effort to fully understand all of the ongoing obligations of this contract. In addition, Offerors should be aware of all of the obligations under the Guaranty Agreement. To the extent that there could be additional administrative challenges or requirements imposed on Offerors by either their Guaranteed Lender or source of private capital, ANY ADDITIONAL ADMINISTRATIVE SUPPORT OR REQUIREMENT MUST BE A CONTRACT MATTER BETWEEN THE OFFEROR AND THE REQUIRING ENTITY AND MAY NOT BE ACCOMPLISHED THROUGH CHANGES IN THE LEASE OR GUARANTY DOCUMENTS. In addition, Offerors may wish to consider the utilization of a servicing agreement to accomplish some of these objectives should they be deemed necessary by either the Guaranteed Lender or source of private capital. Offerors should note, however, that such servicing agreement may not contradict any of the terms in the government's documents such as the Ground Lease, the Guaranty Agreement and related documents, must be consistent with Fannie Mae and Freddie Mac servicing requirements and be consistent with the requirements laid out in the Guaranty Agreement. As to the priority of such a document, it would be an attachment to the Guaranty Agreement and would be reviewed with the offeror's proposal.